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10 Proposed Counsel for the LLC/LP Debtors<sup>1</sup>

11 UNITED STATES BANKRUPTCY COURT  
12 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION

13 In re  
14 PROFESSIONAL FINANCIAL  
INVESTORS, INC., a California corporation,  
*et al.*,  
15 Debtors.

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Proposed Conflicts Counsel for the LLC/LP  
Debtors

Case No. 20-30604  
(Jointly Administered with Case No. 20-  
30579)

(Joint Administration Requested with Case  
Nos. 20-30908, 20-30909, 20-30910, 20-  
30911, 20-30912, 20-30913, 20-30914, 20-  
30915, 20-30916, 20-30917, 20-30919, 20-  
30920, 20-30922, 20-30923, 20-30924, 20-  
30925, 20-30927, 20-30928, 20-30929, 20-  
30930, 20-30934, 20-30935, 20-30936, 20-  
30937, 20-30938, 20-30939, 20-30940, 20-  
30941, 20-30942)

Chapter 11

**EMERGENCY MOTION FOR ORDER  
AUTHORIZING THE LLC/LP DEBTORS  
TO USE CASH COLLATERAL**

*[Hearing Requested on Shortened Time]*

Date: TBD  
Time: TBD  
Judge: Hannah L. Blumenstiel  
Place: **Telephonic/Video Appearances Only**  
450 Golden Gate Avenue  
16<sup>th</sup> Floor, Courtroom 19  
San Francisco, CA 94102

1 Professional Financial Investors, Inc. and Professional Investors Security Fund, Inc., are referred to herein  
as the “Original Debtors”). The term “LLC/LP Debtors” is defined further below in this Motion.  
SMRH:4834-5740-3603.5

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1 **I.**

2 **INTRODUCTION**

3 Professional Investors Security Fund I, A California Limited Partnership;  
4 Professional Investors Security Fund IV, A California Limited Partnership; Professional  
5 Investors Security Fund VII, A California Limited Partnership; Professional Investors  
6 Security Fund IX, A California Limited Partnership; Professional Investors Security Fund  
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8 California Limited Partnership; Professional Investors Security Fund XIV, A California  
9 Limited Partnership; Professional Investors Security Fund XV, A California Limited  
10 Partnership; Professional Investors Security Fund XVII, A California Limited Partnership;  
11 Professional Investors Security Fund XVIII, A California Limited Partnership (collectively  
12 the “LP Debtors”) and Professional Investors 20, LLC; Professional Investors 21, LLC;  
13 Professional Investors 22, LLC; Professional Investors 23, LLC (“23 LLC”); Professional  
14 Investors 24, LLC; Professional Investors 25, LLC (“25 LLC”); Professional Investors 26,  
15 LLC; Professional Investors 27, LLC (“27 LLC”); Professional Investors 29, LLC (“29  
16 LLC”); Professional Investors 30, LLC; Professional Investors 32, LLC; Professional  
17 Investors 33, LLC; Professional Investors 34, LLC (“34 LLC”); Professional Investors 35,  
18 LLC; Professional Investors 36, LLC; Professional Investors 37, LLC; Professional  
19 Investors 40, LLC; Professional Investors 41, LLC; Professional Investors 46, LLC (“46  
20 LLC” and, collectively, the “LLC Debtors,” and together with the LP Debtors, the  
21 “LLC/LP Debtors”), hereby file this motion (the “Motion”), pursuant to sections 105(a),  
22 361, and 363 of Title 11 of the United States Code, as amended (“Bankruptcy Code”) and  
23 to Rule 4001 of the Federal Rules of Bankruptcy Procedure, as amended (“Bankruptcy  
24 Rules”), for entry of an interim and final order, in substantially the form attached to this  
25 Motion as Exhibit A: (i) authorizing each LLC/LP Debtor to use funds that may constitute  
26 “cash collateral” as defined in Bankruptcy Code section 363(a) (“Cash Collateral”) for  
27 payment of costs and expenses incurred in the ordinary course of each LLC/LP Debtor’s  
28 business maintaining its real property asset in accordance with the budget (“Budget”)

1 attached to this Motion as Exhibit B<sup>1</sup>; (ii) authorizing each LLC/LP Debtor to provide  
2 adequate protection to its respective secured creditors for any diminution in the value of  
3 such creditors' interest in their collateral; (iii) scheduling a final hearing ("Final Hearing")  
4 to consider the relief requested in the Motion and approving the form of notice with  
5 respect to the Final Hearing; and (iv) granting related relief. Pursuant to the *Emergency*  
6 *Motion for Order Authorizing LLC/LP Debtors to (I) Maintain Certain Existing Bank*  
7 *Accounts, (II) Maintain Cash Management System, (III) Continue Performing*  
8 *Intercompany Transactions, and (IV) Certain Related Relief* (the "Cash Management  
9 Motion"), filed by the LLC/LP Debtors concurrently herewith, the LLC/LP Debtors seek  
10 authority under the circumstances set forth in such motion, to use Cash Collateral to make  
11 certain limited "Intercompany Transfers" (as defined in the Cash Management Motion) to  
12 facilitate the LLC/LP Debtors' payment of insurance premiums, utilities, and other  
13 operating expenses.<sup>2</sup>

#### 14 SUMMARY OF RELIEF REQUESTED

15 In accordance with Bankruptcy Rule 4001(b)(1)(B), the LLC/LP Debtors provide  
16 the following summary of the proposed use of Cash Collateral:

17 A. Parties with Interest in Cash Collateral: The parties with an interest in the  
18 Cash Collateral are each respective LLC/LP Debtor and those bank and investor lenders  
19 identified in Exhibit C to this Motion, who hold either a First Lien Mortgage or a Second  
20 Lien Mortgage.

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23 <sup>1</sup> The Budget is a consolidated budget covering the Original Debtors, the LLC/LP Debtors, and the twelve  
24 (12) additional limited liability companies that are affiliates of PFI but that are not currently the subject of a  
25 bankruptcy proceeding. The Budget covers these additional twelve (12) entities because PFI anticipates  
26 that they will also be in bankruptcy within the next few months. Each of the LLC/LP Debtors is willing to  
27 provide an entity-specific budget to any of the Committees or any lender upon request.

28 <sup>2</sup> As set forth in the Cash Collateral Motion, such transactions would be subject to (i) consultation with the  
official and ad hoc creditors' committees, (ii) written consent of any affected bank lender(s), and (iii) a total  
cap on such transactions of \$100,000 for the period covered by the LLC/LP Debtors' then-current cash  
collateral budget. No Intercompany Transfers are reflected in the Budget attached to this Motion as Exhibit  
B.

1           B.     Use of Cash Collateral: To pay for the services that each respective LLC/LP  
2 Debtor has customarily paid with respect to its specific LLC/LP Debtor Property (as  
3 defined below) to which such Cash Collateral pertains, including payment of taxes  
4 incurred in connection with such LLC/LP Debtor Property, maintaining customary  
5 insurance coverage of such LLC/LP Debtor Property, and payment of other expenses  
6 incurred in each LLC/LP Debtor's chapter 11 case in accordance with the terms of the  
7 Budget and any orders entered by this Court regarding the use of Cash Collateral. Budget:  
8 Each LLC/LP Debtor's use of Cash Collateral will be for the purposes of funding the types  
9 and corresponding amounts of itemized expenditures contained in the Budget, subject to (i)  
10 a variance of no more than 20 percent on a single line item, and no more than 10 percent in  
11 the aggregate and (ii) the LLC/LP Debtors' entry into "Intercompany Transactions" as  
12 defined in and under the terms set forth in the Cash Management Motion.

13           C.     Duration: Initially for a fifteen (15) week period, subject to extension.

14           D.     Adequate Protection Provided: Holders of a valid First Lien Mortgage will  
15 be adequately protected by having an equity cushion. In addition, for the benefit of the  
16 holders of a valid First Lien Mortgage or Second Lien Mortgage, each LLC/LP Debtor will  
17 (i) keep insurance on its respective LLC/LP Debtor Property (as defined below) current  
18 and generally maintain its LLC/LP Debtor Property in good condition and keep taxes on  
19 such property current when sufficient funds exist to do so and (ii) continue making regular  
20 debt service payments to any banks with liens on its LLC/LP Debtor Property.<sup>1</sup>

21           This motion is based on the discussion below, the *Declaration of Michael Hogan in*  
22 *Support of the Early Case Administration Motions by Certain LLC and LP Affiliates of*  
23 *Professional Financial Investors, Inc.* filed concurrently with this motion (the "Hogan

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26 <sup>1</sup> 23 LLC, 25 LLC, 27 LLC, 29 LLC, 34 LLC, and 46 LLC defaulted on the real property taxes each was  
27 due to pay as of December 10, 2020. All of the other LLC/LP Debtors are current on their real property  
28 taxes as of the date of this Motion. All but seven of the LLC/LP Debtors anticipate they will be able to pay  
their respective real property taxes due in April 2021 and the lenders with valid First Lien Mortgages on  
such LLC/LP Debtors' property are protected by significant equity cushions. The LLC/LP Debtors  
anticipate addressing all property tax defaults pursuant to a plan of reorganization.

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1 Declaration”), the other papers of record in this case and upon such further oral and  
2 documentary evidence as may be presented prior to or at the time of the hearing on the  
3 motion.

4       The relief requested in this Motion is necessary and appropriate to ensure a smooth  
5 transition of the LLC/LP Debtors into their respective chapter 11 cases, to maintain the  
6 operations of each LLC/LP Debtor Property for the benefit of its tenants, and to maximize  
7 the value of the LLC/LP Debtor Properties, each of which is the key asset of one of the  
8 LLC/LP Debtors. If each LLC/LP Debtor is not allowed to use its respective Cash  
9 Collateral, its ability to maintain and deliver the services it customarily provides to its  
10 respective LLC/LP Debtor Property would diminish or cease, the tenants at such LLC/LP  
11 Debtor Property would suffer, and the value of such LLC/LP Debtor Property would be  
12 significantly reduced.



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Dated: December 16, 2020

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**III.**

**STATEMENT OF FACTS**

**A. The Background of the LLC/LP Debtors**

Professional Financial Investors, Inc. (“PFI”) has an equity interest ranging from 30% to 40% in each of the LLCs and is also the general manager of each of the LLCs.<sup>5</sup> PFI has a general partner interest in each of the LPs and owns the vast majority of interests in the LPs.

On July 26, 2020 PFI filed a voluntary chapter 11 petition commencing Case No. 20-30604 (the “PFI Case”) before this Court.

On October 6, 2020, this Court entered its final order approving the Original Debtors’ emergency motion for order authorizing the use of cash collateral as Dkt. No. 178.

On November 20, 2020, PFI filed an involuntary chapter 11 petition against each of the LLC/LP Debtors. On December 4, 2020, this Court entered an order for relief against each the LLC/LP Debtors.

Each of the LLC/LP Debtors continues to operate its respective business as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On August 19, 2020, the Office of the United States Trustee appointed an Official Committee of Unsecured Creditors in the jointly-administered bankruptcy cases of PFI and PISF. Meanwhile, investors in the LLCs have formed an Ad Hoc Committee of LLC Members and noteholders with a deed of trust on properties owned by the Original Debtors or the LLC/LP Debtors have formed an Ad Hoc Committee of DOT Noteholders. The Office of the United States Trustee has not appointed an Official Committee of Unsecured Creditors in any of the LLC/LP Debtors’ bankruptcy cases.

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<sup>5</sup> PFI has an equity interest and is also the general manager in twelve other limited liability companies besides the LLCs, which twelve are not yet in bankruptcy. PFI anticipates that these twelve other limited liability companies will eventually be in bankruptcy and will seek relief very similar to the relief sought in this Motion.  
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1 **B. LLC/LP Debtor's Properties and Secured Prepetition Indebtedness.**

2 Each LLC/LP Debtor either directly owns in fee simple or has an interest as a tenant  
3 in common in a certain real property location located in Marin or Sonoma County,  
4 California (each an "LLC/LP Debtor Property" and, collectively, the "LLC/LP Debtor  
5 Properties"). Each LLC/LP Debtor Real Property is either an apartment building or office  
6 park.

7 PFI serves as the property manager of the LLC/LP Debtor Properties, collecting  
8 rents from the tenants of each of the LLC/LP Debtor Properties and using the rents  
9 collected from each such property to pay for mortgage costs, certain utilities, insurance  
10 coverage, and other costs related to that property. In early July 2020, PFI obtained broker  
11 opinions of value for each of the LLC/LP Debtor Properties, which gave an aggregate  
12 value to LLC/LP Debtor Properties of approximately \$316 million.

13 Each LLC and LP has its own operating account that is exclusively used for  
14 receiving rent payments and paying expenses related to its respective LLC/LP Debtor  
15 Property (each an "LLC/LP Debtor Operating Account" and, collectively the "LLC/LP  
16 Debtor Operating Accounts").

17 All of the LLC/LP Debtor Properties are subject to a first lien mortgage in favor of  
18 a bank or investor (each a "First Lien Mortgage" and, collectively, the "First Lien  
19 Mortgages"). In addition, approximately ten of the LLC/LP Debtor Properties are also  
20 subject to a second lien mortgage (each a "Second Lien Mortgage" and, collectively, the  
21 "Second Lien Mortgages") in favor of investors. The LLC/LP Debtors estimate that, as of  
22 June 30, 2020, (i) the aggregate total of outstanding principal secured by the First Lien  
23 Mortgages was approximately \$180 million and (ii) the aggregate total of outstanding  
24 principal secured by the Second Lien Mortgages was approximately \$68 million.

25 Attached as Exhibit D to this Motion is a list of the LLC/LP Debtor Properties that  
26 identifies (i) the value of each such property, (ii) the total outstanding principal secured by  
27 a First Lien Mortgage on each such property and monthly payment, (iii) the total  
28 outstanding principal secured by any Second Lien Mortgage on each such property and

1 monthly payment, and (iv) the net equity in each LLC/LP Debtor Property after accounting  
2 for the amount of the First Lien Mortgage and any Second Lien Mortgage on each such  
3 property.<sup>6</sup>

4 **C. The LLC/LP Debtors' Immediate Need for Cash Collateral**

5 Each LLC/LP Debtor Property is the primary asset of its respective LLC or LP  
6 owner. The only Cash Collateral at issue in these Bankruptcy Cases are rent proceeds  
7 received from tenants at each LLC/LP Debtor Property. Each LLC/LP Debtor has an  
8 immediate need for access to its Cash Collateral. If it does not obtain swift authorization  
9 to use the Cash Collateral, each LLC/LP Debtor, its respective LLC/LP Debtor Property,  
10 and its commercial or residential tenants at such property, will suffer immediate and  
11 irreparable harm. Without the use of the Cash Collateral, each LLC/LP Debtor will not  
12 have the liquidity to continue to pay for expenses related to maintaining and preserving its  
13 respective LLC/LP Debtor Property. If each LLC/LP Debtor is not permitted to use its  
14 Cash Collateral to pay these critical expenditures, its LLC/LP Debtor Property will  
15 deteriorate and the residential or commercial tenants at such property will suffer. The  
16 preservation of each LLC/LP Debtor's ability to maintain its respective LLC/LP Debtor  
17 Property depends heavily upon the expeditious approval of each LLC/LP Debtor's use of  
18 Cash Collateral for general working capital purposes. Absent this Court's approval of the  
19 interim relief sought herein, each LLC/LP Debtor faces a substantial risk of severe  
20 disruption to its ability to maintain its respective LLC/LP Debtor Property and resulting  
21 irreparable damage to its relationships with tenants, employees, and vendors, and further  
22 damage to its reputation in the industry and marketplace, all of which would diminish the  
23 value of its assets.

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27 <sup>6</sup> Exhibit D also identifies this information for the properties owned by each of the twelve (12) limited  
28 liability companies that are affiliates of PFI but that are not currently the subject of a bankruptcy  
proceeding, with such entities and properties marked in orange. Exhibit D covers these additional twelve  
(12) entities because PFI anticipates that they will also be in bankruptcy within the next few months.  
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1 IV.

2 THE PROPOSED USE OF CASH COLLATERAL

3 The LLC/LP Debtors request authority to use the Cash Collateral in accordance  
4 with the Budget. Each LLC/LP Debtor does not have available sources of working capital  
5 and financing to carry on paying the customary expenses its pays for its respective LLC/LP  
6 Debtor Property without the use of Cash Collateral. To maintain normal operations at each  
7 LLC/LP Debtor and its respective LLC/LP Debtor Property, and to otherwise operate in  
8 chapter 11 in a manner consistent with its ordinary course practices, each LLC/LP Debtor  
9 must have access to cash that is encumbered by the liens of secured lenders. By way of  
10 this Motion, the LLC/LP Debtors propose using the Cash Collateral to pay for the services  
11 that it has customarily paid with respect to its respective LLC/LP Debtor Property,  
12 including payment of taxes incurred in connection with such property, maintaining  
13 customary insurance coverage of such property, and payment of other expenses incurred  
14 by in the Chapter 11 case in accordance with the terms of the Budget and any order  
15 approving the use of Cash Collateral.

16 V.

17 ARGUMENT

18 1. **The Proposed Use of Cash Collateral is Warranted and Should be Approved**

19 Pursuant to Section 363(c)(2) of the Bankruptcy Code, "[t]he trustee may not use  
20 . . . cash collateral . . . unless (A) each entity that has an interest in such cash collateral  
21 consents or (B) the court, after notice and a hearing, authorizes such use . . . in accordance  
22 with the provisions of this section." 11 U.S.C. § 363(c)(2). Section 363(a) defines "cash  
23 collateral" as follows:

24 [C]ash, negotiable instruments, documents of title, securities, deposit  
25 accounts, or other cash equivalents whenever acquired in which the estate  
26 and an entity other than the estate have an interest and includes the proceeds,  
27 products, offspring, rents, or profits of property and the fees, charges,  
28 accounts or other payments for the use or occupancy of rooms and other  
public facilities in hotels, motels, or other lodging properties subject to a  
security interest as provided in section 552(b) of this title, whether existing  
before or after the commencement of a case under this title.

1 11 U.S.C. § 363(a).

2 It is universally acknowledged that a debtor's cash "is the life's blood of the  
3 business," and the bankruptcy court must ensure that such life's blood "is available for use  
4 even if to a limited extent." *In re Mickler*, 9 B.R. 121, 123 (Bankr. M.D. Fla. 1981).  
5 Courts repeatedly have recognized that use of cash collateral is appropriate where  
6 necessary, as it is here, to preserve a debtor's ability to reorganize and thus maximize the  
7 value of an estate. *See, e.g., MBank Dallas, N.A. v. O'Connor (In re O'Connor)*, 808 F.2d  
8 1393, 1398 (10th Cir. 1987) (permitting debtor to use cash collateral to expand operations  
9 after finding there was not a significant risk that secured creditor's interest would  
10 diminish); *Chrysler Credit Corp. v. George Ruggiere Chrysler-Plymouth, Inc. (In re*  
11 *George Ruggiere Chrysler-Plymouth, Inc.)*, 727 F.2d 1017, 1019 (11th Cir. 1984)  
12 (allowing use of cash collateral and stating that "[w]ithout the availability of cash to meet  
13 daily operating expenses such as rent, payroll, utilities, etc., the congressional policy  
14 favoring rehabilitation over economic failure would be frustrated.").

15 Absent the use of the Cash Collateral, the LLC/LP Debtors will not have access to  
16 sufficient working capital and financing to continue operating their respective LLC/LP  
17 Debtor Property and to administer and preserve the value of such property. Each LLC/LP  
18 Debtor needs to continue to use its Cash Collateral to, among other things, finance the  
19 operations that it historically has paid for with respect to its LLC/LP Debtor Property,  
20 maintain business relationships with the vendors that provide services to such property,  
21 and keep the property taxes at such property current. Without the use of Cash Collateral,  
22 the continued operation of each LLC/LP Debtor Property may not be possible, and serious  
23 and irreparable harm to the tenants at those locations, the LLC/LP Debtors, their estates  
24 and their creditors would likely occur. This result would jeopardize the possibility for a  
25 successful reorganization and conflict with the rehabilitative purpose of chapter 11.  
26 Consequently, the use of Cash Collateral is critical to preserve and maintain the value of  
27 the LLC/LP Debtor Properties.

28 **2. The Proposed Adequate Protection Should be Approved**

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1           Section 363(e) of the Bankruptcy Code provides that, "on request of an entity that  
2 has an interest in property used . . . or proposed to be used . . . by [a debtor in possession],  
3 the court, with or without a hearing, shall prohibit or condition such use . . . as is necessary  
4 to provide adequate protection of such interest." 11 U.S.C. § 363(e). What constitutes  
5 adequate protection is decided on a case-by-case basis. *See In re O'Connor*, 808 F.2d  
6 1393, 1396 (10th Cir. 1987); *In re Martin*, 761 F.2d 472 (8th Cir. 1985); *In re Shaw*  
7 *Indus., Inc.*, 300 B.R. 861, 865 (Bankr. W.D. Pa. 2003). By providing adequate protection,  
8 the goal is to protect a secured creditor from diminution in the value of its interest in the  
9 particular collateral during the period of use. *See In re Swedeland Dev. Group, Inc.*, 16  
10 F.3d 552, 564 (3d Cir. 1994) ("The whole purpose of adequate protection for a creditor is  
11 to insure that the creditor receives the value for which he bargained prebankruptcy.")  
12 (internal citations omitted).

13           Section 361 of the Bankruptcy Code sets forth non-exclusive examples of adequate  
14 protection, which include periodic cash payments, additional liens, and replacement liens.  
15 11 U.S.C. § 361. Here, the adequate protection that is proposed to be provided to the  
16 holders of a valid First Lien Mortgage or Second Lien Mortgage is protection against risks  
17 that might adversely affect the value of the LLC/LP Debtor Properties. Each LLC/LP  
18 Debtor intends to keep insurance on its respective LLC/LP Debtor Property current, keep  
19 property taxes on such property current when sufficient funds exist to do so, and continue  
20 to pay for customary services to such property, including service that maintain such  
21 property in good condition. These actions will help preserve the value of each LLC/LP  
22 Debtor Property and the equity cushion that many of the holders of a valid First Lien  
23 Mortgage or Second Lien Mortgage already possess. In addition, each LLC/LP Debtor  
24 proposes making regular debt service payments to any banks with liens on its respective  
25 LLC/LP Debtor Property and, if cash flow permits, to make regular debt service payments  
26 to investors that hold a valid First Lien Mortgage. As such, the LLC/LP Debtors believe  
27 that the proposed forms of adequate protection for the benefit of their secured lenders are  
28



1 fair and reasonable and sufficient to satisfy the requirements of sections 363(c)(2) and (e)  
2 of the Bankruptcy Code.

3 **VI.**

4 **NEED FOR EMERGENCY RELIEF**

5 The LLC/LP Debtors respectfully request emergency consideration of this motion  
6 pursuant to Bankruptcy Rule 4001(b)(2). Bankruptcy Rule 4001(b)(2) permits the Court to  
7 conduct an expedited preliminary hearing on this Motion and to grant preliminary relief  
8 “as is necessary to avoid immediate and irreparable harm to the estate pending a final  
9 hearing.” As previously discussed in this motion, without entry of an order granting the  
10 relief requested herein, the LLC/LP Debtors would not be able to continue maintaining the  
11 services and operations – including the collection of rent, payment of insurance costs,  
12 certain utilities, and other expenses necessary to maintain the operation of its respective  
13 LLC/LP Debtor Property - that it customarily has provided to such property. This likely  
14 would create severe hardship for the tenants at the LLC/LP Debtor Properties and  
15 negatively impact the value of such properties, each of which is the primary asset of an  
16 LLC/LP Debtor. Accordingly, the LLC/LP Debtors respectfully submit that they have  
17 satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 4001(b)(2)  
18 and, therefore, respectfully request that the Court approve the relief requested in this  
19 Motion on an emergency interim basis.

20 **VII.**

21 **REQUEST FOR WAIVER OF ANY APPLICABLE STAY**

22 The LLC/LP Debtors request that the terms of any interim order granting this  
23 Motion become effective immediately to ensure that LLC/LP Debtors will be able to use  
24 the Cash Collateral to pay critical expenses and preserve services. Rule 6004(h) does not  
25 apply to cash collateral orders. To the extent that any other provision imposes a stay, the  
26 LLC/LP Debtors request that it be waived to allow any interim order granting this Motion  
27 to become effective immediately. As explained above and in the Hogan Declaration, the  
28



1 relief requested herein is necessary to avoid immediate and irreparable harm to the  
2 LLC/LP Debtor Properties and to the LLC/LP Debtors.

3 **VIII.**

4 **CONCLUSION**

5 WHEREFORE, the LLC/LP Debtors respectfully requests that the Court enter an  
6 order (1) approving the Motion and granting the LLC/LP Debtors authority to use Cash  
7 Collateral as proposed herein, effective as of December 11, 2020, and (2) granting such  
8 other and further relief as the Court deems appropriate.

9 Dated: December 16, 2020

10 SHEPPARD MULLIN RICHTER & HAMPTON LLP

11 Bv /s/ J. Barrett Marum

12 ORI KATZ  
13 J. BARRETT MARUM  
14 MATT KLINGER  
15 GIANNA SEGRETTI

16 Counsel for Original Debtors and Proposed  
17 Counsel for LLC/LP Debtors

18 Dated: December 16, 2020

19 TRODELLA & LAPPING LLP

20 Bv /s/ Richard A. Lapping

21 RICHARD A. LAPPING

22 Conflicts Counsel for Original Debtors and  
23 Proposed Conflicts Counsel for LLC/LP Debtors  
24  
25  
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27  
28

**EXHIBIT A**

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re  
PROFESSIONAL FINANCIAL  
INVESTORS, INC., *et al.*  
  
Debtors.

Case No. 20-30604  
(Jointly Administered with Case No. 20-30579)

(Joint Administration Requested with Case Nos. 20-30908, 20-30909, 20-30910, 20-30911, 20-30912, 20-30913, 20-30914, 20-30915, 20-30916, 20-30917, 20-30919, 20-30920, 20-30922, 20-30923, 20-30924, 20-30925, 20-30927, 20-30928, 20-30929, 20-30930, 20-30934, 20-30935, 20-30936, 20-30937, 20-30938, 20-30939, 20-30940, 20-30941, 20-30942)

Chapter 11

**[PROPOSED] INTERIM ORDER  
APPROVING EMERGENCY MOTION  
FOR ORDER AUTHORIZING THE  
USE OF CASH COLLATERAL**

Date: TBD  
Time: TBD  
Judge: Hannah L. Blumenstiel  
Place: **Telephonic/Video Appearances  
Only**  
450 Golden Gate Avenue  
16<sup>th</sup> Floor, Courtroom 19  
San Francisco, CA 94102

The *Emergency Motion for Order Authorizing the Use of Cash Collateral* (the “Motion”), filed on December 16, 2020 as Docket No. \_\_ by Professional Investors Security Fund I, A California Limited Partnership; Professional Investors Security Fund IV, A California Limited Partnership; Professional Investors Security Fund VII, A California Limited Partnership; Professional Investors Security Fund IX, A California Limited Partnership; Professional Investors Security Fund XII, A California Limited Partnership; Professional Investors Security Fund XIII, A California Limited Partnership;

SMRH:4834-5740-3603.5

1 Professional Investors Security Fund XIV, A California Limited Partnership; Professional  
2 Investors Security Fund XV, A California Limited Partnership; Professional Investors  
3 Security Fund XVII, A California Limited Partnership; Professional Investors Security  
4 Fund XVIII, A California Limited Partnership (collectively the “LP Debtors”) and  
5 Professional Investors 20, LLC; Professional Investors 21, LLC; Professional Investors 22,  
6 LLC; Professional Investors 23, LLC; Professional Investors 24, LLC; Professional  
7 Investors 25, LLC; Professional Investors 26, LLC; Professional Investors 27, LLC;  
8 Professional Investors 29, LLC; Professional Investors 30, LLC; Professional Investors 32,  
9 LLC; Professional Investors 33, LLC; Professional Investors 34, LLC; Professional  
10 Investors 35, LLC; Professional Investors 36, LLC; Professional Investors 37, LLC;  
11 Professional Investors 40, LLC; Professional Investors 41, LLC; Professional Investors 46,  
12 LLC (collectively, the “LLC Debtors,” and together with the LP Debtors, the “LLC/LP  
13 Debtors”), came before the Court for hearing on December \_\_, 2020 at \_\_ \_\_.m.

14 Appearances were as noted on the record. Based upon the Court’s review of the Motion,  
15 the declarations and other pleadings filed in support of the Motion, the arguments of  
16 counsel at the hearing on the Motion, and all pleadings and evidence of record in this case,

17 IT IS HEREBY ORDERED THAT:

18 1. The Motion is GRANTED as set forth herein. Capitalized terms not defined  
19 in this Order shall have the meanings given to them in the Motion.

20 2. Subject to the terms set forth herein, each LLC/LP Debtor is authorized to  
21 use its Cash Collateral in accordance with the terms of the Motion and as set forth in the  
22 Budget (subject to a variance of no more than twenty percent (20%) on a single line item,  
23 and no more than ten percent (10%) in the aggregate).

24 3. Each Monthly Operating Report of each LLC/LP Debtor shall include an  
25 “actual to Budget” reconciliation unless otherwise agreed to by the parties.

26 4. In addition to the security interests, liens, rights, equity and other interests  
27 that the holders of a First Lien Mortgage or Second Lien Mortgage have with respect to  
28 their collateral, as adequate protection pursuant to section 363(e) of the Bankruptcy Code,

1 each LLC/LP Debtor shall (i) keep insurance on its respective LLC/LP Property current  
2 and generally maintain such property in good condition and keep taxes on its respective  
3 LLC/LP Property current when sufficient funds exist to do so and (ii) continue making  
4 regular debt service payments to any banks with a First Lien Mortgage on such property,  
5 including, but not limited to, JPMorgan Chase Bank, Tri Counties Bank, Poppy Bank,  
6 Banner Bank, Pacific Western Bank, First Foundation Bank, HomeStreet Bank, and Five  
7 Star Bank (collectively, the “Banks”).

8         5. As additional adequate protection and compensation for the consensual use  
9 of the Cash Collateral by the LLC/LP Debtors in accordance with the Motion, and in  
10 accordance with sections 361 and 363 of the Bankruptcy Code, the Banks shall receive  
11 from the appropriate LLC/LP Debtor quarterly payments of their reasonable and  
12 documented fees and disbursements (whether incurred before or subsequent to the date of  
13 the entry of an order for relief against such LLC/LP Debtor, the “Relief Date”), so long as  
14 the Banks’ status as over-secured creditors under section 506(b) of the Bankruptcy Code  
15 remains unchanged, and provided further that the Banks or their professionals have  
16 complied with the provisions of this paragraph. No later than the 15th day of each month,  
17 each such Bank or professional shall deliver a summary form invoice (which shall include  
18 a summary of the services generally, a summary setting forth each timekeeper and the total  
19 hours and value billed for such timekeeper, and a summary setting forth total expenses by  
20 category but shall not be required to include time entries) to counsel to the LLC/LP  
21 Debtors, each official or ad hoc committee appointed in this case, and the U.S. Trustee (the  
22 “Review Parties”). The Review Parties shall have until the end of the month following the  
23 applicable quarter, commencing with the quarter ending December 31, 2020, to object to  
24 any or all of any invoice by providing email notice to such Bank or professional and the  
25 Review Parties. To the extent that a Bank previously submitted invoices for fees allocated  
26 to any LLC/LP Debtor that were reviewed under the cash collateral order applicable to  
27 Professional Financial Investors, Inc., it need not do so again, and the applicable LLC/LP  
28 Debtor shall pay such previously reviewed fees prior to December 31, 2020. The

1 respective LLC/LP Debtor shall pay any invoice that has not been objected to (and the  
2 uncontested portion of any invoice that has been objected to) within five business days of  
3 the objection period as noted above for such invoice. The Bankruptcy Court shall  
4 determine any unresolved objections regarding such invoices, after notice and a hearing.  
5 Any Bank that fails to comply with this paragraph may submit its monthly invoices but  
6 review and payment shall be deferred to the end of the following calendar quarter.  
7 Notwithstanding the foregoing, the LLC/LP Debtors' and any party in interest's rights are  
8 fully reserved to seek a determination that adequate protection payments should be  
9 recharacterized under section 506(b) of the Bankruptcy Code as payment on account of the  
10 secured portion of the applicable Bank's First Lien Mortgage claims as of the Relief Date,  
11 and this reservation does not waive any rights of the Banks under Section 506(b).

12         6.       No Cash Collateral or proceeds thereof may be used by any of the LLC/LP  
13 Debtors, their estates, any affiliate of any LLC/LP Debtor, any official or other committees  
14 appointed in the Chapter 11 Cases pursuant to section 328 or 1103 of the Bankruptcy  
15 Code, any trustee or examiner appointed in these Chapter 11 Cases or any chapter 7 trustee  
16 in the event these Chapter 11 cases are converted to Chapter 7, or any other person, or  
17 related entity, to directly or indirectly assert, join, commence, support, investigate, or  
18 prosecute any action for any claim, raised in any form, including, but not limited to, an  
19 adversary proceeding, or other contested matter seeking any affirmative relief against, or  
20 adverse to the interests of, in any capacity, the Holders of a valid First Lien Mortgage, with  
21 respect to any transaction, occurrence, omission, or action, including, without limitation,  
22 (a) any action arising under the Bankruptcy Code; (b) any so-called "lender liability"  
23 claims and causes of action; (c) any action with respect to the validity and extent of the  
24 prepetition obligations of the Holders of a valid First Lien Mortgage, or the validity,  
25 extent, perfection, and priority of their prepetition liens; (d) any action seeking to  
26 invalidate, set aside, avoid, reduce, set off, offset, recharacterize, subordinate (whether  
27 equitable, contractual, or otherwise), recoup against, disallow, impair, raise any defenses,  
28 cross-claims, or counter claims or raise any other challenges under the Bankruptcy Code or

1 any other applicable domestic or foreign law or regulation against or with respect to the  
2 liens or prepetition obligations of the Holders of a valid First Lien Mortgage in whole or in  
3 part; (e) appeal or otherwise challenge the Interim Order, this Order, or any of the  
4 transactions contemplated herein or therein; and/or (f) any action that has the effect of  
5 preventing, hindering, or delaying (whether directly or indirectly) the Holders of a valid  
6 First Lien Mortgage in respect of their liens and security interests in the Cash Collateral or  
7 any of their rights, powers, or benefits hereunder. This limitation shall not apply to funds  
8 generated in these estates that are not the Cash Collateral of Holders of a First Lien  
9 Mortgage.

10         7.       The LLC/LP Debtors shall cooperate in good faith in fulfilling any  
11 reasonable due diligence requests made by the Holders of a First Lien Mortgage including,  
12 but not limited to, requests for appraisals, title reports, tenant vacancy reports and other  
13 loan-related requests.

14         8.       The grant of adequate protection to the Holders of a First Lien Mortgage  
15 pursuant hereto is without prejudice to the right of the Holders of a First Lien Mortgage to  
16 seek relief from this Order, or different or additional adequate protection as necessary, in  
17 the event that (i) a LLC/LP Debtor or the Holders of a First Lien Mortgage become aware  
18 that the net equity on any of the properties on which the Holders of a First Lien Mortgage  
19 is materially different than as presented in the Motion, (ii) if any material violation of  
20 applicable law, regulation, or code is filed, assessed, or asserted against an LLC/LP Debtor  
21 Property, (iii) the condition of an LLC/LP Debtor Property materially deteriorates, or (iv)  
22 any action is brought against an LLC/LP Debtor involving an LLC/Debtor Property.

23         9.       Except as expressly provided herein, nothing contained in this Order  
24 (including without limitation, the authorization to use any Cash Collateral) shall impair or  
25 modify any rights, claims, or defenses available in law or equity to the Holders of a First  
26 Lien Mortgage. Nothing in this Order shall constitute an admission that the Holders of a  
27 First Lien Mortgage are not entitled to payment under section 506(b) of the Bankruptcy  
28 Code.

1           10.     Except as expressly provided herein, nothing contained in this Order  
2 (including without limitation, the authorization to use any Cash Collateral) shall impair or  
3 modify any rights, claims, or defenses available in law or equity to the Holders of a First  
4 Lien Mortgage or to non-LLC/LP Debtor interest holders in the LLC/LP Properties or the  
5 Second Lien Holders.

6           11.     The requirements for immediate entry of this Interim Order pursuant to  
7 Bankruptcy Rule 4001(b) have been satisfied.

8           12.     The notice the LLC/LP Debtors provided of the Interim Hearing and the  
9 emergency relief requested in the Motion is in compliance with the Court's Order  
10 Shortening Time for Notice and Specially Setting Hearing Date Regarding Debtors' Early  
11 Case Administration Motions entered on December [ ], 2020 and shall be deemed good  
12 and sufficient notice of such Motion under the circumstances and the requirements of  
13 Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

14           13.     A final hearing (the "Final Hearing") to consider the relief requested in the  
15 Motion shall be held on [ ] at [ ] (prevailing Pacific Time)  
16 and any objections or responses to the Motion shall be filed and served so as to be actually  
17 received on or prior to [ ] at [ ] (prevailing Pacific Time).

18           14.     This Interim Order shall serve as notice of the Final Hearing.

19           15.     The Final Hearing will not be conducted in the presiding judge's courtroom  
20 but instead will be conducted by telephone or video. All interested parties should consult  
21 the Bankruptcy Court's website at [www.canb.uscourts.gov](http://www.canb.uscourts.gov) for information about court  
22 operations during the COVID-19 pandemic. The Bankruptcy Court's website provides  
23 information regarding how to arrange a telephonic or video appearance. If you have any  
24 questions regarding how to appear at a court hearing, you may contact the Bankruptcy  
25 Court by calling 888-821-7606 or by using the Live Chat feature on the Bankruptcy  
26 Court's website.

27           16.     On or before December [ ], 2020, the Debtors shall serve, by United States  
28 mail, first-class postage prepaid, a copy of this Interim Order upon: (a) the office of the

1 United States Trustee, (b) the creditors on each of the LLC/LP Debtors' respective list of  
2 twenty largest unsecured creditors, (c) the parties listed on Exhibit C to the Motion; and (d)  
3 any parties that have specially requested notice.

4 17. The Court retains jurisdiction over the matters arising from or related to the  
5 interpretation or implementation of this Interim Order.

6 **\*\*\*END OF PROPOSED ORDER\*\*\***  
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**EXHIBIT B**  
**(See attached).**

		15 Week Cash Forecast Through 03/26/21																
		Estimated Wk-1 12/04/20	Estimated Wk-2 12/11/20	Forecast Wk-3 12/18/20	Forecast Wk-4 12/25/20	Forecast Wk-5 01/01/21	Forecast Wk-6 01/08/21	Forecast Wk-7 01/15/21	Forecast Wk-8 01/22/21	Forecast Wk-9 01/29/20	Forecast Wk-10 02/05/21	Forecast Wk-11 02/12/21	Forecast Wk-12 02/19/21	Forecast Wk-13 02/26/21	Forecast Wk-14 03/05/21	Forecast Wk-15 03/12/21	Forecast Wk-16 03/19/21	Forecast Wk-17 03/26/21
Beginning Cash Balances		\$ 4,287,167	\$ 4,883,805	\$ 4,461,698	\$ 4,402,283	\$ 2,334,372	\$ 5,806,917	\$ 4,351,146	\$ 3,828,455	\$ 2,881,299	\$ 2,646,160	\$ 6,211,790	\$ 4,716,519	\$ 4,702,148	\$ 3,715,493	\$ 7,281,122	\$ 5,785,852	\$ 5,723,533
Fees & Other Collections to PFI Corporate																		
Management Fees (Paid from LPs & LLCs to PFI)		\$ 141,479				\$ 141,479					\$ 141,479				\$ 141,479			
Admin Fees (Due to PFI from all properties: payroll allocation, repairs & maintenance)		125,103				125,103					125,103				125,103			
Total Collections		\$ 266,582	\$ -	\$ -	\$ -	\$ 266,582	\$ -	\$ -	\$ -	\$ -	\$ 266,582	\$ -	\$ -	\$ -	\$ 266,582	\$ -	\$ -	\$ -
PFI Owned Properties																		
PFI dba Duffy Place - Duffy Place		\$ 64,627				\$ 64,627					\$ 64,627				\$ 64,627			
PFI dba Gate 5 - Mariners Landing		36,366				44,172					44,172				44,172			
PFI dba 107 Marin Apartments - 107 Marin		18,910				24,050					24,050				24,050			
PFI dba 1129 - 1129 3rd Street Apartments		5,749				5,796					5,796				5,796			
PFI dba 117 Las Gallinas Business - Las Gallinas Business Center		16,639				17,460					17,460				17,460			
PFI dba 1315 Rafael Gardens Apartments - San Rafael Gardens		23,774				23,774					23,774				23,774			
PFI dba 1506 Novato Court Apartments - Novato Apartments		11,078				10,771					10,771				10,771			
PFI dba 353 Bel Marin Keys - The Keys Center		34,065				26,095					26,095				26,095			
PFI dba 355 Redwood Manor Apartments - Redwood Manor		15,759				16,312					16,312				16,312			
PFI dba 390 Woodland Ave. - Woodland Apartments		12,189				11,428					11,428				11,428			
PFI dba 419 Prospect Dr. - 419 Prospect Drive		20,454				20,131					20,131				20,131			
PFI dba 461 Ignacio Blvd. - Ignacio Hills Tennis & Gardens		26,775				26,270					26,270				26,270			
PFI dba 501 Ignacio Blvd. - Ignacio Hills Tennis & Gardens		23,729				23,950					23,950				23,950			
PFI dba 515 Brookside Apartments - Brookside		19,586				19,436					19,436				19,436			
PFI dba 7200 Redwood Blvd. - North Bay Business Center		98,159				107,871					107,871				107,871			
PFI dba 885 Broadway Apartments - 885 Broadway		29,637				36,991					36,991				36,991			
PFI dba Hammondale Apartments - Hammondale		12,229				12,221					12,221				12,221			
PFI dba Ilane Ignacio Lane - Ignacio Lane		15,981				12,720					12,720				12,720			
PFI dba Merrydale Apartments - Merrydale View Apartments		13,675				14,410					14,410				14,410			
PFI dba Pacheco Villa 1 - Pacheco Villa		33,944				36,130					36,130				36,130			
PFI 350 Ignacio Blvd (ATM rental fee income from Bank of America)		2,394				2,394					2,394				2,394			
PFI dba Santa House - Santa Land																		
PFI dba 16914 Sonoma - TIC - 16914 Sonoma Highway		36,074				36,074					36,074				36,074			
Subtotal PFI Rent receipts		\$ 572,786	\$ -	\$ -	\$ -	\$ 593,083	\$ -	\$ -	\$ -	\$ -	\$ 593,083	\$ -	\$ -	\$ -	\$ 593,083	\$ -	\$ -	\$ -
LP Properties																		
LP 01 - Ignacio Hills Apartments I		\$ 44,000				\$ 44,000					\$ 44,000				\$ 44,000			
LP 04 - Ignacio Hills Apartments IV		22,000				22,000					22,000				22,000			
LP 07 - Albion Terrace Apartments VII		93,500				93,500					93,500				93,500			
LP 09 - Northgate Apartments IX		155,150				155,150					155,150				155,150			
LP 12 - Ignacio Hills Apartments XII		47,250				47,250					47,250				47,250			
LP 13 - Lincoln Villa Apartments PISF XIII		112,282				112,282					112,282				112,282			
LP 14 - Fairway Apartments XIV		116,301				116,301					116,301				116,301			
LP 15 - Country Club Apartments XV		44,000				44,000					44,000				44,000			
LP 17 - Country Club Apartments XVII		72,500				72,500					72,500				72,500			
LP 18 - Ignacio Gardens XVIII		212,350				212,350					212,350				212,350			
Subtotal LP Rent receipts		\$ 919,333	\$ -	\$ -	\$ -	\$ 919,333	\$ -	\$ -	\$ -	\$ -	\$ 919,333	\$ -	\$ -	\$ -	\$ 919,333	\$ -	\$ -	\$ -
LLC Properties																		
LLC 20 - Professional Investors 20, LLC		\$ 49,471				\$ 49,471					\$ 49,471				\$ 49,471			
LLC 21 - Ignacio Hills Apartments		78,109				78,109					78,109				78,109			
LLC 22 - Sonoma Mission Apartments		85,487				85,487					85,487				85,487			
LLC 23 - City Center		70,729				70,729					70,729				70,729			
LLC 24 - Baywood Center		49,613				49,613					49,613				49,613			
LLC 25 - The Creekside Center		40,568				40,568					40,568				40,568			
LLC 26 - Tamal Plaza		63,868				63,868					63,868				63,868			
LLC 27 - Novato Business Center		23,728				23,728					23,728				23,728			
LLC 28 - Professional Investors 28, LLC		34,344				34,344					34,344				34,344			
LLC 29 - The Broadway		19,495				19,495					19,495				19,495			
LLC 30 - Redwood Business Center		69,275				69,275					69,275				69,275			
LLC 31 - San Pedro Business Center		69,843				69,843					69,843				69,843			
LLC 32 - Northgate Business Center		42,836				42,836					42,836				42,836			
LLC 33 - Ignacio Place		80,912				80,912					80,912				80,912			
LLC 34 - Gateway Business Center		42,116				42,116					42,116				42,116			
LLC 35 - Sequoia Business Center		86,662				86,662					86,662				86,662			
LLC 36 - Village Green Apartments I		66,439				66,439					66,439				66,439			
LLC 37 - Broadway Square		54,401				54,401					54,401				54,401			
LLC 38 - Northgate Professional Center		150,868				150,868					150,868				150,868			
LLC 39 - 4th St. Business Ctr		28,053				28,053					28,053				28,053			
LLC 40 - Glen Ellen Madrone		62,054				62,054					62,054				62,054			
LLC 41 - Professional Investors 41, LLC		36,848				36,848					36,848				36,848			
LLC 42 - Northgate Heights Business Center		173,676				173,676					173,676				173,676			
LLC 43 - The Heights		36,189				36,189					36,189				36,189			
LLC 44 - 100 Sycamore Apartments		49,201				49,201					49,201				49,201			
LLC 45 - The American Building		55,066				55,066					55,066				55,066			
LLC 46 - 285 Woodland Ave		28,366				28,366					28,366				28,366			
LLC 47 - The Hunt Plaza		49,699				49,699					49,699				49,699			
LLC 48 - Parc Marin		77,519				77,519					77,519				77,519			
LLC 49 - 1732 Lincoln Avenue (See Bldg 49 Adj'd Rent Receipts)		12,198				12,198					12,198				12,198			
LLC 1222 - PFI Glenwood		17,000				17,000					17,000				17,000			
Subtotal LLC Rent receipts		\$ 1,805,631	\$ -	\$ -	\$ -	\$ 1,796,631	\$ -	\$ -	\$ -	\$ -	\$ 1,796,631	\$ -	\$ -	\$ -	\$ 1,796,631	\$ -	\$ -	\$ -
Cash generated from operations in current week		\$ 3,562,332	\$ -	\$ -	\$ -	\$ 3,565,629	\$ -	\$ -	\$ -	\$ -	\$ 3,565,629	\$ -	\$ -	\$ -	\$ 3,565,629	\$ -	\$ -	\$ -
Cash balance after collections in current week		\$ 7,849,519	\$ 4,883,805	\$ 4,461,698	\$ 4,402,283	\$ 5,900,002	\$ 5,806,917	\$ 4,351,146	\$ 3,828,455	\$ 2,881,299	\$ 6,211,790	\$ 6,211,790	\$ 4,716,519	\$ 4,702,148	\$ 7,281,122	\$ 7,281,122	\$ 5,785,852	\$ 5,723,533

**Professional Financial Investors, Inc. (PFI, LLC & LP)**  
**15 Week Cash Consolidated Flow Forecast**

	15 Week Cash Forecast Through 03/26/21																	
	Estimated Wk-1 12/04/20	Estimated Wk-2 12/11/20	Forecast Wk-3 12/18/20	Forecast Wk-4 12/25/20	Forecast Wk-5 01/01/21	Forecast Wk-6 01/08/21	Forecast Wk-7 01/15/21	Forecast Wk-8 01/22/21	Forecast Wk-9 01/29/21	Forecast Wk-10 02/05/21	Forecast Wk-11 02/12/21	Forecast Wk-12 02/19/21	Forecast Wk-13 02/26/21	Forecast Wk-14 03/05/21	Forecast Wk-15 03/12/21	Forecast Wk-16 03/19/21	Forecast Wk-17 03/26/21	
Disbursements – PFI Properties (First Week Includes 50% of Annual Property Tax due 12/10/20)																		
	Taxes		Insurance		Insurance		Insurance		Insurance		Insurance		Insurance		Insurance		Insurance	
PFI dba Duffy Place - Duffy Place	\$ 58,641	14,919		\$ 8,951		\$ 14,919		\$ 8,951		\$ 14,919		\$ 8,951		\$ 14,919		\$ 8,951		
PFI dba Gate 5 - Mariners Landing	53,226	17,149		10,289		17,149		10,289		17,149		10,289		17,149		10,289		
PFI dba 107 Main Apartments - 107 Main	22,929	3,316		1,930		3,316		1,930		3,316		1,930		3,316		1,930		
PFI dba 1129 - 1129 3rd Street Apartments	10,063	5,295		3,177		5,295		3,177		5,295		3,177		5,295		3,177		
PFI dba 117 Las Gallinas Business - Las Gallinas Business Center	15,960	6,078		3,647		6,078		3,647		6,078		3,647		6,078		3,647		
PFI dba Rafael Gardens Apartments - San Rafael Gardens	39,697	14,429		8,559		14,429		8,559		14,429		8,559		14,429		8,559		
PFI dba 1506 Novato Court Apartments - Novato Apartments	12,155	3,477		2,086		3,477		2,086		3,477		2,086		3,477		2,086		
PFI dba 353 Bel Marin Keys - The Keys Center	35,596	9,201		5,521		9,201		5,521		9,201		5,521		9,201		5,521		
PFI dba 355 Redwood Manor Apartments - Redwood Manor	15,957	5,702		3,421		5,702		3,421		5,702		3,421		5,702		3,421		
PFI dba 390 Woodland Ave - Woodland Apartments	18,762	4,042		2,425		4,042		2,425		4,042		2,425		4,042		2,425		
PFI dba 419 Prospect Dr - 419 Prospect Drive	26,822	7,197		4,318		7,197		4,318		7,197		4,318		7,197		4,318		
PFI dba 461 Ignacio Blvd - Ignacio Hills Tennis & Gardens	15,796	7,039		4,223		7,039	8,339	4,223		7,039		4,223		7,039		4,223		
PFI dba 501 Ignacio Blvd - Ignacio Hills Tennis & Gardens	19,792	9,282		5,569		9,282	8,339	5,569		9,282		5,569		9,282		5,569		
PFI dba 515 Brookside Apartments - Brookside	15,867	3,354		2,012		3,354		2,012		3,354		2,012		3,354		2,012		
PFI dba 7200 Redwood Blvd - North Bay Business Center	54,823	22,239		13,344		22,239		13,344		22,239		13,344		22,239		13,344		
PFI dba 885 Broadway Apartments - 885 Broadway	24,604	10,864		6,519		10,864		6,519		10,864		6,519		10,864		6,519		
PFI dba Hammockdale Apartments - Hammockdale	17,100	6,059		3,635		6,059	2,949	3,635		6,059		3,635		6,059		3,635		
PFI dba Ilane Ignacio Lane - Ignacio Lane	12,775	8,187		4,912		8,187		4,912		8,187		4,912		8,187		4,912		
PFI dba Merrydale Apartments - Merrydale View Apartments	22,422	5,094		3,056		5,094	4,865	3,056		5,094		3,056		5,094		3,056		
PFI dba Pacheco Villa 1 - Pacheco Villa	35,666	12,309		7,385		12,309	9,738	7,385		12,309		7,385		12,309		7,385		
PFI dba Santa House - Santa Land	20,338	6,148		3,689		6,148		3,689		6,148		3,689		6,148		3,689		
PFI dba 16914 Sonoma - TIC - 16914 Sonoma Highway	34,585	10,710		6,426		10,710	13,556	6,426		10,710		6,426		10,710		6,426		
350 Ignacio Bldg expenses	41,892	6,283	536	3,770		6,283	536	3,770		6,283	536	3,770		6,283	536	3,770		
Payroll	129,419	9,819		129,419		9,819		129,419		9,819		129,419		9,819		129,419		
Payroll taxes	9,819	9,819		9,819		9,819		9,819		9,819		9,819		9,819		9,819		
Benefits	6,000	6,000		6,000		6,000		6,000		6,000		6,000		6,000		6,000		
PFI - Other disbursements																		
Total Admin Fees	6,855	6,855		6,855		6,855		6,855		6,855		6,855		6,855		6,855		
Total Mgt Exp	7,953	7,953		7,953		7,953		7,953		7,953		7,953		7,953		7,953		
Total Utility Exp	1,972	1,972		1,972		1,972		1,972		1,972		1,972		1,972		1,972		
Total Repairs & Maintenance	1,931	1,931		1,931		1,931		1,931		1,931		1,931		1,931		1,931		
Total Contract Maintenance	1,384	1,384		1,384		1,384		1,384		1,384		1,384		1,384		1,384		
Mortgage Expense	8,401	8,401		8,401		8,401		8,401		8,401		8,401		8,401		8,401		
Subtotal PFI Disbursements (Including Property Taxes & Insurance)	\$ 629,200	\$ 372,107	\$ 536	\$ 292,758	\$ -	\$ 382,607	\$ 48,322	\$ 303,256	\$ -	\$ -	\$ 372,107	\$ 536	\$ 292,758	\$ -	\$ 372,107	\$ 536	\$ 292,758	
Disbursements - LP Properties																		
	Taxes		Insurance		Utilities Dep.		Insurance		Insurance		Insurance		Insurance		Insurance		Insurance	
LP 01 - Ignacio Hills Apartments I	\$ 20,130		\$ 28,003	\$ 862	\$ 17,502	\$ 10,098	\$ 10,501		\$ 17,502		\$ 10,501		\$ 17,502		\$ 10,501		\$ 10,501	
LP 04 - Ignacio Hills Apartments IV	10,784		10,602	454	6,626	8,341	3,976		6,626		3,976		6,626		3,976		3,976	
LP 07 - Albion Terrace Apartments VII	49,668		56,296	2,198	35,185	32,573	21,111		35,185		21,111		35,185		21,111		21,111	
LP 09 - Northgate Apartments IX	70,160		67,831	2,631	42,394	38,214	25,437		42,394		25,437		42,394		25,437		25,437	
LP 12 - Ignacio Hills Apartments XII	25,324		28,967	1,226	18,104	15,018	10,862		18,104		10,862		18,104		10,862		10,862	
LP 13 - Lincoln Villa Apartments PHSF XII	76,817		79,087	2,840	49,429	43,537	29,658		49,429		29,658		49,429		29,658		29,658	
LP 14 - Fairway Apartments XIV	59,188		59,188	45,352	45,352	27,211	45,352		45,352		27,211		45,352		27,211		27,211	
LP 15 - Country Club Apartments XV	19,210		20,588	1,777	12,867	15,473	7,720		12,867		7,720		12,867		7,720		7,720	
LP 17 - Country Club Apartments XVII	48,333		48,917	2,148	30,573	27,209	18,344		30,573		18,344		30,573		18,344		18,344	
LP 18 - Ignacio Gardens XVIII	105,824		147,555	10,464	87,165	68,934	52,299	79,639		87,165	52,299		87,165	52,299		87,165	52,299	
Subtotal LP Disbursements (Including Property Taxes & Insurance)	\$ 485,438	\$ -	\$ 40,121	\$ 560,409	\$ 31,462	\$ 345,199	\$ 259,398	\$ 207,119	\$ 79,639	\$ -	\$ 345,199	\$ -	\$ 207,119	\$ -	\$ 345,199	\$ -	\$ 207,119	
Disbursements - LLC Properties																		
	Taxes		Insurance		Utilities Dep.		Insurance		Insurance		Insurance		Insurance		Insurance		Insurance	
LLC 20 - Professional Investors 20, LLC	\$ 39,566		\$ 24,474	\$ 1,398	\$ 15,296	\$ 9,178		\$ 15,296		\$ 9,178		\$ 15,296		\$ 9,178		\$ 15,296		
LLC 21 - Ignacio Hills Apartments	58,381		33,447	2,012	20,904	12,543		20,904		12,543		20,904		12,543		20,904		
LLC 22 - Sonoma Mission Apartments	71,373		48,137	4,412	30,086	18,051		30,086		18,051		30,086		18,051		30,086		
LLC 23 - City Center	69,778		45,022	8,089	28,139	16,883		28,139		16,883		28,139		16,883		28,139		
LLC 24 - Baywood Center	58,791	707	32,454	4,548	20,284	12,170		20,284	707	12,170		20,284	707	12,170		20,284	707	
LLC 25 - The Creekside Center	49,640	1,171	35,268	4,367	22,043	13,226		22,043	1,171	13,226		22,043	1,171	13,226		22,043	1,171	
LLC 26 - Tamal Plaza	55,336		37,552	4,908	23,470	14,082		23,470		14,082		23,470		14,082		23,470		
LLC 27 - Novato Business Center	41,690		29,538	3,969	18,462	11,077		18,462		11,077		18,462		11,077		18,462		
LLC 28 - Professional Investors 28, LLC	34,554		17,346	1,841	10,841	6,505		10,841		6,505		10,841		6,505		10,841		
LLC 29 - The Broadway	23,505	924	13,245	1,007	8,278	4,967		8,278	924	4,967		8,278	924	4,967		8,278	924	
LLC 30 - Redwood Business Center	40,348		36,507	4,017	22,817	13,690		22,817		13,690		22,817		13,690		22,817		
LLC 31 - San Pedro Business Center	44,328		38,238	23,899	14,339	14,339		14,339		14,339		14,339		14,339		14,339		
LLC 32 - Northgate Business Center	38,058		17,824	3,476	17,824	10,694		17,824		10,694		17,824		10,694		17,824		
LLC 33 - Ignacio Place	87,779		52,095	3,155	32,560	19,536		32,560		19,536		32,560		19,536		32,560		
LLC 34 - Gateway Business Center	73,384		44,371	3,167	27,732	16,639		27,732		16,639		27,732		16,639		27,732		
LLC 35 - Sequoia Business Center	47,336		39,692	5,828	24,808	14,885		24,808		14,885		24,808		14,885		24,808		
LLC 36 - Village Green Apartments I	67,454		43,768	1,846	27,355	16,413		27,355		16,413		27,355		16,413		27,355		
LLC 37 - Broadway Square	44,999		28,431	1,345	17,769	10,6,												

**EXHIBIT C**

**BANK LENDERS:**

Pacific Western Bank  
P.O. Box 131207  
Carlsbad, CA 92013-1207

Banner Bank  
P.O. Box 1117  
Walla Walla, WA 99362-0265

Chase Commercial Term Lending  
P.O. Box 9176  
Coppell, TX 75019-9176

First Foundation Bank  
18101 Von Karman, Suite 750  
Irvine, CA 92612

One United Bank  
3683 Crenshaw Blvd  
Los Angeles, CA 90016

Tri Counties Bank  
P.O. Box 909  
Chico, CA 95927

Poppy Bank  
438 First Street  
Santa Rosa, CA 95401

Opus Bank  
19900 Macarthur Blvd., 12<sup>th</sup> Floor  
Irvine, CA 92612

Five Star Bank  
3100 Zinfandel Drive, Suite #100  
Rancho Cordova, CA 95670

HomeStreet Bank  
Commercial Real Estate Loan Servicing  
601 Union Street, Ste #2000  
Seattle WA 98101-2326

1 **LP INVESTORS:**

2 **Professional Investors Security Fund I, A California Limited Partnership;**

3 Teresa Ratto  
4 1147 Cambridge Street  
5 Novato, CA 94947

6 Ardath Steves  
7 317 Melrose Avenue  
8 Mill Valley, CA 94941

9 Jim Tanner  
10 827 Hayden Avenue  
11 Novato, CA 94945

12 **Professional Investors Security Fund IV, A California Limited Partnership;**

13 John Burke  
14 11600 Red Dog Road  
15 Nevada City, CA 95959

16 G. Minhoto & J. Rowley  
17 2 Hyannis Cove  
18 San Rafael, CA 94901

19 Judd & Susan Shellito  
20 2001 Dauphine Street  
21 New Orleans, LA 70116

22 **Professional Investors Security Fund VII, A California Limited Partnership;**

23 Altman/Saltzman Trust  
24 390 S. Morningsun Avenue  
25 Mill Valley, CA 94941

26 Gerald Arpino  
27 180 MacDougal Street  
28 New York, NY 10011

Sandy Fields Trust  
P.O. Box 632  
Point Reyes Station, CA 94956

Walt Nagle  
P.O. Box 1063  
Pleasanton, CA 94588

James & Tina Selman  
2034 Greet Street  
San Francisco, CA 94123

- 1 Joan Willis, 401k  
2 67 Junipero Serra Avenue  
3 San Rafael, CA 94901
- 3 **Professional Investors Security Fund IX, A California Limited Partnership;**
- 4 Jacques Achsen  
5 124 Pine Street  
6 San Anselmo, CA 94960
- 6 Sandy Fields Trust  
7 PO Box 632  
8 Point Reyes Station, CA 94956
- 8 Larry Gettler  
9 8 Gilbert Street  
10 San Rafael, CA 94901
- 10 Rod Juncker  
11 15850 Orange Blossom Lane  
12 Los Gatos, CA 95032
- 12 Michael K. Leary  
13 29 Timothy Place  
14 San Anselmo, CA 94960
- 14 Sunil Maheshwari  
15 101 Utah Street, #130  
16 San Francisco, CA 94103
- 16 Sushil Maheshwari  
17 101 Utah Street, #130  
18 San Francisco, CA 94103
- 18 David Rabb Profit Plan  
19 15 San Marcos Place  
20 San Rafael, CA 94901
- 20 Linda Tanner, TOCA #IRZ-6030-OT  
21 827 Hayden Avenue  
22 Novato, CA 94945
- 22 **Professional Investors Security Fund XII, A California Limited Partnership;**
- 23 Jacques Achsen  
24 124 Pine Street  
25 San Anselmo, CA 94960
- 25 Robert Aston  
26 123 6<sup>th</sup> Avenue  
27 San Francisco, CA 94118
- 27 Sandy Fields Trust  
28 PO Box 632  
29 Point Reyes Station, CA 94956

1 Arnold Fleming  
25 Grenadier Drive  
2 Mahwah, NJ 07430  
  
3 Rod Juncker  
15850 Orange Blossom Lane  
4 Los Gatos, CA 95032  
  
5 Rabinder Maheshwari  
360 Moseley Road, #302  
6 Hillsborough, CA 94010  
  
7 Sunil Maheshwari  
101 Utah Street, #130  
8 San Francisco, CA 94103  
  
9 Sushil Maheshwari  
101 Utah Street, #130  
10 San Francisco, CA 94103  
  
11 **Professional Investors Security Fund XIII, A California Limited Partnership;**  
  
12 Robert Aston  
123 6<sup>th</sup> Avenue  
13 San Francisco, CA 94118  
  
14 Ira Peter Bagatelos  
105 Shooting Star Isle  
15 Foster City, CA 94404  
  
16 Barry Ira Fadem  
920 Diablo Drive  
17 Lafayette, CA 94549  
  
18 Sandy Fields Trust  
PO Box 632  
19 Point Reyes Station, CA 94956  
  
20 Eric Greidanus  
15887 Avenue, #264  
21 Visalia, CA 93292  
  
22 Rob & Betty Hescong  
36 Rafael Drive  
23 San Rafael, CA 94901  
  
24 London Chimney Services  
32 Currey Avenue  
25 Sausalito, CA 94965  
  
26 Allan Reed  
45 Hillcrest Court  
27 San Anselmo, CA 94960  
  
28

SMRH:4834-5740-3603.5

1 James Scagliola Trust  
1030 Western Avenue  
2 Petaluma, CA 94952  
3 **Professional Investors Security Fund XIV, A California Limited Partnership;**  
4 W. Jumbe Allen, O.M.D.  
11130 Kerrigan Drive  
5 Oakland, CA 94605  
6 Shari & Richard Bashing-Sullivan  
03 Camino Del Diablo  
7 Orinda, CA 94563  
8 Philip Gorny  
2300 Road E.  
9 Redwood Valley, CA 95470  
10 Eric Greidanus  
15887 Avenue, #264  
11 Visalia, CA 93292  
12 Rod Juncker  
15850 Orange Blossom Lane  
13 Los Gatos, CA 95032  
14 Sunil Maheshwari  
101 Utah Street, #130  
15 San Francisco, CA 94103  
16 Sushil Maheshwari  
101 Utah Street, #130  
17 San Francisco, CA 94103  
18 **Professional Investors Security Fund XV, A California Limited Partnership;**  
19 Jacques Achsen  
124 Pine Street  
20 San Anselmo, CA 94960  
21 Russell Davis, TOCA #SRE-0037-00  
1555 Henry Way  
22 Petaluma, CA 94954  
23 Sandy Fields Trust  
PO Box 632  
24 Point Reyes Station, CA 94956  
25 Sushil Maheshwari  
101 Utah Street, #130  
26 San Francisco, CA 94103  
27 Dale & Anne Stocking  
1080 Bel Marin Keys Blvd.  
28 Novato, CA 94949

SMRH:4834-5740-3603.5



1 Linda Tanner, TCOA #IRZ-6030-OT  
2 827 Hayden Avenue  
3 Novato, CA 94945

4 John Trimble  
5 35 Main Burfordville Street  
6 Burfordville, MO 63739

7 John & Kathy Trimble  
8 35 Main Burfordville Street  
9 Burfordville, MO 63739

10 **Professional Investors Security Fund XVII, A California Limited Partnership;**

11 Jacques Achsen  
12 124 Pine Street  
13 San Anselmo, CA 94960

14 Ira Peter Bagatelos  
15 105 Shooting Star Isle  
16 Foster City, CA 94404

17 Barry Ira Fadem  
18 920 Diablo Drive  
19 Lafayette, CA 94549

20 Arnold Fleming  
21 25 Grenadier Drive  
22 Mahwah, NJ 07430

23 Jamie Kate Heller  
24 8304 184 Street SW  
25 Edmonds, WA 98026

26 Steve Horgan  
27 16360 Craig Lane  
28 Anderson, CA 96007

Sunil Maheshwari  
101 Utah Street, #130  
San Francisco, CA 94103

Jacques Achsen (listed twice but different amounts)  
124 Pine Street  
San Anselmo, CA 94960

W. Jumbe Allen, O.M.D.  
11130 Kerrigan Drive  
Oakland, CA 94605

Robert Aston  
123 6<sup>th</sup> Avenue  
San Francisco, CA 94118

1 Ira Peter Bagatelos  
2 105 Shooting Star Isle  
3 Foster City, CA 94404

3 Robert Barbarick  
4 5091 Solano Avenue  
5 Napa, CA 94558

5 Shari & Richard Bashing-Sullivan  
6 03 Camino Del Diablo  
7 Orinda, CA 94563

7 Barry Ira Fadem  
8 920 Diablo Drive  
9 Lafayette, CA 94549

9 Eric Greidanus  
10 15887 Avenue, #264  
11 Visalia, CA 93292

11 Darcy Ann Hansen  
12 One Fernwood Drive  
13 San Anselmo, CA 94960

13 Rod & Betty Hescong  
14 36 Rafael Drive  
15 San Rafael, CA 94901

15 Rabinder Maheshwari  
16 360 Moseley Road, #302  
17 Hillsborough, CA 94010

17 Valery Uhl  
18 11 Sessions Road  
19 Lafayette, CA 94549

19 David and Nora Willis  
20 797 The Dallas Avenue  
21 Sunnyvale, CA 94087

21 **Professional Investors Security Fund XVIII, A California Limited Partnership:**

22  
23 Jacques Achsen  
24 124 Pine Street  
25 San Anselmo, CA 94960

24 W. Jumbe Allen, O.M.D.  
25 11130 Kerrigan Drive  
26 Oakland, CA 94605

26 Robert Aston  
27 123 6<sup>th</sup> Avenue  
28 San Francisco, CA 94118

1 Ira Peter Bagatelos  
105 Shooting Star Isle  
2 Foster City, CA 94404  
3 Robert Barbarick  
5091 Solano Avenue  
4 Napa, CA 94558  
5 Shari & Richard Bashing-Sullivan  
03 Camino Del Diablo  
6 Orinda, CA 94563  
7 Barry Ira Fadem  
920 Diablo Drive  
8 Lafayette, CA 94549  
9 Eric Greidanus  
15887 Avenue, #264  
10 Visalia, CA 93292  
11 Darcy Ann Hansen  
One Fernwood Drive  
12 San Anselmo, CA 94960  
13 Rod & Betty Hescong  
36 Rafael Drive  
14 San Rafael, CA 94901  
15 Rabinder Maheshwari  
360 Moseley Road, #302  
16 Hillsborough, CA 94010  
17 Valery Uhl  
11 Sessions Road  
18 Lafayette, CA 94549  
19 David and Nora Willis  
797 The Dallas Avenue  
20 Sunnyvale, CA 94087

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**EXHIBIT D**  
**(See attached).**

LLC Entities Not Currently in Bankruptcy														
28/110	RES	PF/LLC	LLC	✓			✓	Ignacio Hills Tennis & Garden Apts.	481 Ignacio Blvd		Novato	94949	16	1.74%
31	COM	PF/LLC	LLC	✓			✓	San Pedro Business Center	30 North San Pedro Rd		San Rafael	94903	15	3.26%
38	COM	PF/LLC	LLC	✓			✓	Northgate Professional Center	869 Northgate Dr		San Rafael	94903	25	5.43%
39	COM	PF/LLC	LLC	✓			✓	8th Street Business Center	523 4th St & 930 Irwin St.		San Rafael	95401	25	5.43%
42	COM	PF/LLC	LLC	✓			✓	Northgate Heights Business Center	1050 Northgate Dr		San Rafael	95401	42	9.13%
43	RES	PF/LLC/TC	LLC/TC	✓			✓	The Height Apartment Homes	109 Professional Center Parkway		San Rafael	94903	20	2.18%
44	RES	PF/LLC/TC	LLC/TC	✓			✓	Sycamore Creek Apartments	100 Sycamore Ave		San Anselmo	94960	24	2.61%
45	COM	PF/LLC/TC	LLC/TC	✓			✓	The American Building	1099 D. Street		San Rafael	95401	16	3.48%
47	COM	PF/LLC/TC	LLC/TC	✓			✓	Hunt Plaza	240 Tamal Vista		Corte Madera	92925	17	3.70%
48	RES	PF/LLC/TC	LLC/TC	✓			✓	Plac Main	1441 Casa Buena Drive		Corte Madera	94952	32	3.49%
49	RES	PF/LLC/TC	LLC/TC	✓			✓	Lincoln Redwoods	1732 Lincoln Ave		San Rafael	94901	19	2.07%
120	RES	PF/LLC	LLC	✓	✓			Glenwood Apartments	1222 Irwin St.		San Rafael	94901	10	1.09%

28	\$	5,875,000.00
31	\$	6,612,500.00
38	\$	23,625,000.00
39	\$	7,100,000.00
42	\$	20,900,000.00
43	\$	7,175,000.00
44	\$	9,175,000.00
45	\$	10,505,000.00
47	\$	8,350,000.00
48	\$	20,500,000.00
49	\$	7,137,500.00
120	\$	3,850,000.00
	\$	120,895,000.00

28	Fremont Bank	\$	2,538,252.24	\$	3,336,747.76
31	Five Star	\$	5,044,000.00	\$	1,568,900.00
38	Tri Counties	\$	11,341,837.83	\$	12,288,162.17
39	Chase Bank	\$	4,100,000.00	\$	3,000,000.00
42	Five Star	\$	11,865,000.00	\$	9,035,000.00
43	First Foundation	\$	3,850,000.00	\$	3,325,000.00
64	Pacific Western Bank	\$	4,200,000.00	\$	4,975,000.00
65	Five Star	\$	6,600,000.00	\$	3,905,000.00
67	Five Star	\$	5,730,000.00	\$	2,620,000.00
68	Pacific Western Bank	\$	12,300,000.00	\$	8,200,000.00
69	HomeStreetBank	\$	4,150,000.00	\$	2,987,500.00
120	First Foundation	\$	1,885,000.00	\$	1,765,000.00
		\$	73,604,000		

28/10		\$ 3,336,747.78
31		\$ 1,568,500.00
38		\$ 12,283,162.31
39		\$ 3,000,000.00
42		\$ 9,035,000.00
43		\$ 3,325,000.00
44		\$ 4,975,000.00
46		\$ 3,905,000.00
47		\$ 2,620,000.00
48		\$ 8,200,000.00
49		\$ 2,987,500.00
120	\$ 872,000.00	\$ 1,093,000.00
6	\$ 872,000	

7. Information from the Companies records, however certain discrepancies have already been identified, including that the Company did not reconcile these accounts and differences exist in the general ledger for the corresponding accounts. As such, this section should be considered with a high degree of skepticism. Further, the "Unrecoverable" amount is based off the Equity calculation and does not include any adjustments for Cash or other Unsecured claims.